



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Southwest Multifamily Region
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October 3, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Coppertree Village Holdings LLC (DBA Texas: Coppertree Investments I LLC)
Attention: Robert Howe, Owner
819 Windsor Drive SE
Sammamish, WA 98074
roberthowe@comcast.net

SUBJECT: Notice of Default of the Housing Assistance Payments Contract

Project Name: **Texas Coppertree Village**
Project Location: 1415 W. Gulf Bank Rd., Houston, Texas 77088-3621
HUD HAP Contract Number: TX24E000008
HUD iREMS Number: 800020793

Dear Mr. Howe:

This letter constitutes formal notice by the Secretary of the U.S. Department of Housing and Urban Development that **Coppertree Village Holdings LLC (DBA Texas: Coppertree Investments I LLC)** ("Owner"), owner of the **Texas Coppertree Village** ("Project"), is in default of the HUD Housing Assistance Payments ("HAP") Contract originally entered into as of **November 3, 1990** ("Original HAP") and most recently renewed with a Basic Renewal Contract effective **April 1, 2013** ("HAP Renewal"). Pursuant to section 2.5(a) of the Original HAP, the Owner "agrees to maintain and operate the Contract Units, unassisted units, if any, and related facilities to provide Decent, Safe, and Sanitary housing." Additionally, pursuant to paragraph 7(b) of the HAP Renewal, the Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures) and shall be maintained in such condition during the term of the HAP Renewal. This standard is set forth in HUD regulation 24 C.F.R. § 5.703.

On **June 28, 2018**, Southwest Housing Compliance Corporation ("SHCC"), the Section 8 Performance-Based Contract Administrator, performed a Management and Occupancy Review ("MOR") and the Project received an **Unsatisfactory** overall rating (48 out of a possible score of 100). Of the six categories in which the Owner's performance was assessed, five resulted in Unsatisfactory ratings and one resulted in a Below Average rating. The General Appearance and Security category received the lowest score (20 out of a possible score of 100). The MOR report identified serious deficiencies that demonstrate the Owner is in default of the Original HAP and HAP Renewal, including, but not limited to:

*Fort Worth Regional Office
801 Cherry Street Unit #45, Suite 2500
Fort Worth, Texas 76102*

*Kansas City Satellite Office
400 State Avenue, Suite 300
Kansas City, KS 66101*

- **Inoperable controlled access gates**
- **Building 12 was vacant and uninhabitable due to a June 2017 fire**
- **Damaged exterior siding, including significant mildew from A/C condensation**
- **Lack of a formal preventative maintenance program**
- **Lack of unit inspections since March 2017**
- **Significant/increased criminal activity (767 calls for service in a one-year period)**
- **Inoperable security cameras**
- **2016 security enhancement plan was not implemented**
- **Significant unit interior deficiencies**
- **Non-compliance with lead-based paint disclosure requirements**
- **Emergency and routine work requests are not completely timely**
- **Significant leasing/occupancy deficiencies**
- **Numerous resident complaints regarding physical deficiencies and criminal activity**
- **Seven repeat Findings from the 2016 MOR**

These conditions are indicative of the Owner's neglect of this Property and failure to fulfill its minimum obligations, such as performing routine maintenance and leasing/occupancy tasks.

The Owner was given until August 27, 2018 (30 days from the date of the MOR Report) to complete all Corrective Actions detailed in the report. SHCC granted an extension until September 17, 2018 for the Owner to respond. The Owner responded on September 18, 2018; however, the response was incomplete.

As a result of the Unsatisfactory MOR rating, the following entities and their principals were flagged in HUD's Active Partners Performance System (APPS):

- **Coppertree Village Holdings LLC (DBA Texas: Coppertree Investments I LLC) (473607025) – Owner Entity**
- **Triumph Housing Management LLC (274589218) – Management Entity**

These flags may adversely affect the Owner's and Management Agent's eligibility for participation in HUD programs, under HUD's Previous Participation Certification procedure, by constituting a standard for disapproval.

Subsequent to the issuance of the MOR Report, the HUD Resolution Specialist requested an Expense Management and Process Improvement Plan ("EMPIP"). The EMPIP was due on September 13, 2018, but the Owner's submission was received past the due date on September 18, 2018 and did not include all required components.

The Owner must take the following corrective actions within 30 days of the date of receipt of this notice:

- (1) Complete all Corrective Actions to the satisfaction of SHCC as detailed in the July 26, 2018 MOR Report and a copy of the letter issued by SHCC indicating all MOR Findings have been closed.;
- (2) Submit an EMPIP for HUD's review and approval prior to implementation;

(3) Submit the EMPIP and certifications to:

Darlene Hines, Resolution Specialist, Darlene.Hines@hud.gov

Any HUD approved extension to the 30-day deadline will be made in writing and HUD will work with the Owner to determine if the request for additional time to cure the deficiencies is acceptable and adequately protects the tenants' interests. HUD will then visit the Project to confirm the Owner is in compliance with the Housing Assistance Payments ("HAP") Contract.

If the Owner fails to take the necessary corrective actions required by this Notice of Default of Housing Assistance Payments (HAP) Contract letter, the Secretary will, without further notice, declare the Owner in default of the HAP contract and will seek any and all available remedies, including but not limited to, acceleration of the outstanding principal indebtedness, foreclosure, abatement of the Housing Assistance Payments (HAP) Contract or any other appropriate remedies.

HUD may continue its review of any other contractual agreements between the Owner and HUD beyond the matters identified in this notice. If the Secretary determines there are additional contractual violations or defaults, HUD's subsequent declaration of any such violations or defaults will not affect the requirements set out in this notice.

If there are any questions concerning this matter, please contact the HUD Resolution Specialist, **Darlene Hines at 713-718-3142.**

Sincerely,



Christie M. Newhouse

Director

Ft. Worth Asset Management Division

Cc:

Triumph Housing Management LLC
Attention: Paul Ponte, Chief Executive Officer
4080 McGinnis Ferry Rd., Suite 1104
Alpharetta, GA 30005
pponte@triumphmgt.com

Cc:

Southwest Housing Compliance Corporation
Attention: Nancy McIlhaney, Director of Compliance
1124 South IH-35
Austin, Texas 78704
nancym@shccnet.org